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RAILROAD SPUR TRACK AGREEMENT AND LICENSE

THIS RAILROAD SPUR TRACK AGREEMENT AND LICENSE (the "License"), dated for reference purposes only July ____, 2001 is by and between McCALL PROPERTIES LLC, a Washington limited liability company ("Licensor") and QUADRA CHEMICALS, INC., a Delaware corporation ("Licensee").

RECITALS

A. Pursuant to an Industrial Real Estate Lease dated June 15, 2001 (the "Lease"), between GWC Properties, Inc., as Landlord, and Licensee, as Tenant, Licensee leases certain Premises located at 5540, 5700 and 5724 NW Front Avenue, Portland, Oregon, and more particularly described in the Lease (the "Premises").

B. Pursuant to the terms of a License Agreement dated May 15, 2001 between Chevron Products Company ("Chevron") and Licensor (the "Chevron License Agreement"), Licensor has the right to use the railroad spur track designated in Exhibits A and B attached hereto (the "Spur Track").

C. Licensor is willing to grant Licensee the right and license to use the Spur Track for movement of rail cars to and from the Premises pursuant to the terms and conditions set forth below.

NOW, THEREFORE, for valuable consideration, the parties agree as follows:

1. **License.** Subject to all the terms, covenants and conditions of the Lease and the Chevron License Agreement, Licensor grants to Licensee the right and license to use the Spur Track for, but only for (i) movement of rail cars to and from the Premises, and (ii) the parking and unloading of no more than two (2) rail cars.

2. **Term.** The term of this License shall be concurrent with the term of the Lease, subject to the right of termination provided herein.

3. **Use Fee.** Licensee shall pay Licensor \$1500 per quarter for the use of the Spur Track, and one space for parking and unloading. Licensee may park a second rail car upon five days' notice of each such use for the additional fee of \$50 per day of use. Upon 30 days' notice, Quadra may use the second space for \$1,500 per quarter. Such fees shall be paid by Licensee within ten days of receipt of an invoice from Licensor.

4. **Repairs and Maintenance.** Licensor and Licensee shall each have the right, but not the duty, to repair and maintain and shall share equally the costs and expenses of maintenance and repair of the tracks, switches and related facilities located on the Spur Track. Except as provided herein or otherwise expressly agreed in writing by Licensor, Licensee shall have no right to construct any improvements upon the Spur Track.

5. ***Rights and Obligations of Licensee.*** Except as specifically provided in this License, Licensee shall use the Spur Track in accordance with all the terms, covenants and conditions of the Lease and the Chevron License Agreement.

6. ***Licensee's Environmental Indemnity.*** During the term of this License shall (i) comply in all material respects with all Hazardous Materials Laws; and (ii) not install, use, generate, manufacture, store, release or dispose of, nor permit the installation, use, generation, storage, release or disposal of Hazardous Materials on, under or about the Spur Track, nor transport or permit the transportation of Hazardous Materials to or from the Spur Track except in accordance with applicable Hazardous Materials Laws and prudent business practices. Licensee shall protect, indemnify, defend and hold Licensor, its directors, officers, employees and agents, and any successors to Licensor's interest in the Spur Track, harmless from and against any and all claims, liabilities, damages, losses, fines, penalties, judgments, awards, costs and expenses (including, without limitation, attorneys' fees and costs and expenses of investigation) which arise out of or relate in any way to any breach of the provisions of this Section 6 by Licensee.

7. ***Licensee's General Indemnity.*** Licensee shall protect, defend and hold Licensor harmless from and against any loss, liability or claim, cost or expense (including attorney fees) relating to or arising out of Licensee's use and occupancy of the and Spur Track during the term of this License.

8. ***Licensor's Right of Termination.*** Licensee agrees that, in the event of a breach by Licensee of its obligations under Sections 3, 6 or 7 hereof, Licensor may terminate Licensee's rights hereunder by written notice to Licensee and, after such notice, Licensee shall have no further rights to use the Spur Track. In addition to the foregoing, in the event the Chevron License Agreement is terminated for any reason, this Agreement shall automatically terminate concurrently with the expiration or termination date of the Chevron License Agreement.

9. **Notices.** All notices required or permitted to be given hereunder shall be in writing, and shall be deemed to be effective when delivered personally or mailed, registered or certified mail, return receipt requested, to the addresses set forth below:

Licensors: McCall Properties LLC
808 SW 15th Avenue
Portland, Oregon 97205
Attention: Robert H. McCall

With a copy to: Tonkon Torp LLP
1600 Pioneer Tower
888 SW Fifth Avenue
Portland, Oregon 97204-2099
Attention: Jon W. Nickel

Licensee: Quadra Chemicals, Inc.
13801 Reese Blvd., West
Suite 190
Huntersville, North Carolina 28708

With a copy to: Davis Wright Tremaine, LLP
Attention: James C. Waggoner
Suite 2300
1300 SW Fifth Avenue
Portland, OR 97201

Either party may, by written notice to the other, change its address for purposes of this Agreement.

10. **Attorney Fees.** In the event of any litigation to enforce or declare any of the provisions of this Agreement, the prevailing party shall recover and the losing party shall pay the reasonable attorney fees incurred by the prevailing party at the trial or arbitration and upon any appeals therefrom, as determined by the respective courts or arbitrators.

11. **Successor Interest.** Licensee may not assign any of its rights hereunder without the prior written consent of Licensor, which consent shall not be unreasonably withheld, but may be conditioned upon reasonable terms determined by Licensor. All terms and provisions of this License shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

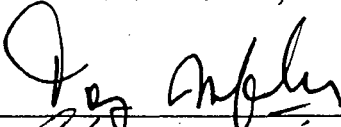
12. **Governing Law.** This Agreement shall be construed and interpreted according to the laws of the state of Oregon.

IN WITNESS WHEREOF, the parties have executed this License as of the day and year first set forth above.

LICENSOR: McCALL PROPERTIES LLC

By: _____
Its: _____

LICENSEE: QUADRA CHEMICALS, INC.

By: 
Its: CHAIRMAN & CEO